

Memorandum



Date: December 4, 2007

Agenda Item No.
12(B)3

To: Honorable Chairman Bruno A. Barreiro
and Members Board of County Commissioners

From: George M. Kingess
County Manager

Subject: Report on the use of SunPass as Payment Method at Miami International Airport's
Public Parking Facilities

This memorandum responds to Resolution R-1174-07 sponsored by Commissioner Jose "Pepe" Diaz and adopted by the Board of County Commissioners (BCC) on October 16, 2007. The resolution directs the County Manager to prepare a report on the use of SunPass as a payment method at Miami International Airport's (MIA) public parking facility.

Aviation Department staff contacted SunPass to explore the opportunity to offer this payment method at MIA. The SunPass Turnpike Authority staff forwarded functional and non-functional specifications for the installation and utilization of the SunPass System. Aviation staff reviewed the requirements to determine probable initial capital investment costs and on-going maintenance and replacement costs for the SunPass operation. Discussion ensued between Aviation Department staff and SunPass Turnpike Authority staff regarding the business terms and conditions for pursuing the SunPass operation at MIA, with findings noted below.

Research

Other Florida airports were contacted to determine if they were considering or already had SunPass in their parking facilities. Orlando International Airport was the first Florida airport to incorporate the SunPass program. Fort Lauderdale and other airports such as West Palm Beach are engaged in negotiations with SunPass.

A survey conducted over seven consecutive days at various times of the day at MIA's public parking garages to determine the potential for SunPass produced a sample size of 2,122 patrons. Of those surveyed, 1,239 or 58.3 percent of the responders indicated that they either own or would use SunPass if it were available. In comparison, 30 percent of Orlando International Airport parking patrons utilize SunPass, according to the Florida Department of Transportation (FDOT). Aviation Department staff communicated with and subsequently met with SunPass officials to determine implementation strategies and interest in installing SunPass at MIA.

The following factors need to be considered in implementing the SunPass program at MIA:

Cost Factors & Estimates

No budget has been established for this effort, nor has any procurement been initiated.

- Hardware and software related to implementing SunPass is estimated to cost approximately \$700,000
- Recurring hardware maintenance fee is unknown at this time and is to be determined
- Annual operating cost is estimated at approximately \$500,000

Timetable Factors

Factors affecting the timetable include the need for a redundant server, which is in the process of being ordered through the procurement process, and approval of sole source procurement for the Transponder reader used by SunPass.

- Completion target date is estimated to be July 2008.
- Implementation averages six months from ratification of SunPass Agreement (pending).

- Transponder readers are sole source.
- Transponder readers lead-time is 16 weeks.
- Transponder reader accuracy certification should not be attempted during the holidays.
- Facility upgrades are required to comply with SunPass functional requirements. (These upgrades are already in the procurement process independent of proceeding with SunPass).

Other Factors


Parking fees at MIA are usually higher than the ordinary SunPass user's account can handle. However, SunPass users will require service upgrade to SunPass Plus in the future, which will have the capacity to allow any overage to be covered through access to the SunPass patron's bank account.

Proposed Agreement between MDAD and FDOT:

The tentative Joint Participation Agreement between the Miami-Dade Aviation Department and FDOT's Florida's Turnpike Enterprises establishes the responsibility of the parties as indicated below:

- Florida's Turnpike Enterprises
 - Provide SunPass base of customers
 - Process parking revenue transactions using SunPass transponders
 - Proceeds minus credit card and processing fees wired back weekly
 - Transponder transaction, regardless of issuing agency, will be processed
 - Primary contact for all SunPass customer service related issues
- County
 - Purchase, install, operate and maintain revenue collection equipment
 - Responsible for software changes to revenue control system
 - Responsible for modifying parking system signage
 - Electronically transfer files containing SunPass transponder transactions
- Business Terms
 - Term- 5 years, renewed automatically for one-year term unless otherwise terminated
 - Credit Card Fees- actual based on State contract –currently with Bank of America
 - A transaction fee that is still being negotiated
 - Termination: 90 days notice; 10 days for cause
 - Joint Marketing promotional and marketing efforts

As a measure for customer convenience, the Aviation Department recommends proceeding with the installation of SunPass even though it is doubtful that the investment and/or annual operating cost will be recouped. SunPass Turnpike Authority staff has forwarded a recommended lease agreement for consideration and Aviation Department Staff reviewed, commented, and returned the lease to the Florida Department of Transportation for consideration and execution. As noted above, West Palm Beach and Ft. Lauderdale airports are currently considering implementing the system. While MDAD is currently promoting the use of credit cards, which saves cashier staffing on cash lanes, if enough parking patrons redirect payment options from cash payments to SunPass, an exit lane could be reconfigured in the future to a SunPass-only lane, taking the place of the need for a cashier at a cash lane.


Assistant County Manager